



CITY OF DURHAM | NORTH CAROLINA

Date: August 6, 2012

To: Thomas J. Bonfield, City Manager

From: Donald M. Long, Solid Waste Management Director

Subject: Inter-Local Agreement to Provide Recycling Collection Service for Durham County Convenience Centers

Executive Summary

The City of Durham and Durham County have agreed for the Department of Solid Waste Management to provide recycling collection, using roll-off containers, at the four Durham County Convenience Centers. Durham County's previous service provider, TFC, Inc. no longer provides collection services in this area. Durham County issued a Request for Proposal seeking a qualified service provider to collect at the four convenience sites. Since the Department of Solid Waste Management has the equipment, manpower, and experience, the County and City has agreed to enter into an Inter-local Agreement for these services. Both parties envision this as an opportunity to build a lasting partnership between the two governmental agencies.

Recommendation

The Department recommends that the City Council authorize the City Manager to enter into an Inter-local Agreement with Durham County Government to provide Recycling Collection Service at four Convenience Centers. The County is being charged \$104,232 annually, based upon the actual and indirect costs. The cost to the City to provide this service is \$75,035.

Background

Durham County provides trash and recycling services for customers using curbside service and its four convenience centers. The convenience centers generate over 540 tons of recyclable material annually. The current service provider has elected not to extend the current contract with Durham County, thus, requiring the need to hire another service provider. A request for proposal was issued seeking vendors to provide these services, to which the Solid Waste management responded, on behalf of the City of Durham.

After meeting with Durham County personnel, the Department of Solid Waste Management determined it could provide the service to the County via an Inter-Local Agreement. It has been agreed by the City and County that the initial Inter-Local Agreement will be for a period of one year, with an option to extend the Agreement for two additional two-year terms, for a total of five years.

Issues/Analysis

The Department has eliminated the roll-off container program as one of its core functions due to the cost to provide the service. The City will utilize the key components of the roll-off container program to provide collection service to the County. The costs to provide this service to the County include the use of the roll-off truck, fuel, maintenance, and personnel. It is anticipated that the annual cost for this service \$62,529 plus a 20% contingency, which totals \$75,035.00

Alternatives

One alternative is to withdraw the City of Durham's offer to provide collection service to the County's convenience sites. This would result in losing potential revenues generated with the Inter-Local Agreement and through the sale of recyclable material.

Financial Impacts

The Inter-Local Agreement is for a period of five years. The annual minimum payment the City will receive is \$104,232. The agreement includes a fuel surcharge that will be adjusted semi-annually based upon the average diesel fuel cost provided by the City's Fleet Management Department. Additional revenue can be realized through the sale of recyclable material, averaging \$12,240 to \$20,400 annually. The total amount of revenues received will depend on market conditions.

SDBE Summary

The Ordinance to Promote Equal Opportunity in City Contracting does not apply to this item.